



TOM TINDALL  
Director

County of Los Angeles  
**INTERNAL SERVICES DEPARTMENT**

1100 North Eastern Avenue  
Los Angeles, California 90063

*"To enrich lives through effective and caring service"*

Telephone: (323) 267-2101  
FAX: (323) 264-7135

March 24, 2011

To: Each Supervisor

From: Tom Tindall *Tom Tindall*  
Director, Internal Services Department

Subject: **DHS PURCHASE ORDER FOR NITRIC OXIDE**

This is to advise your Board that ISD, as the County's Purchasing Agent, has issued a retroactive purchase order for nitric oxide specialty gas with the sole source vendor INO Therapeutics LLC, doing business as Ikaria ("Ikaria"). Nitric oxide is used by the Department of Health Services (DHS) to provide life-saving respiratory therapy.

The purchase order for \$415,407.82 covers specialty gas services received by the LAC+USC Medical Center during the period of June 1, 2010, through February 13, 2011. During this period, the County agreement with Ikaria had expired. ISD has also established a new temporary County agreement with Ikaria until a permanent agreement can be finalized.

ISD is taking immediate action to issue this purchase order to resolve vendor payment delays. If not immediately resolved, these delays have the potential to interrupt the hospital's supply of nitric oxide, thereby impacting patient care.

The delay in re-establishing the purchase order with Ikaria is due to a lack of timely action by DHS Supply Chain Management and ISD purchasing staff to resolve the vendor's exceptions to standard County agreement clauses. Further, designated staff did not escalate unresolved issues to the appropriate management levels for timely action. Going forward, ISD and DHS managers will reinforce procedures to ensure that purchasing issues are resolved timely.

If you have questions, please contact me at 323-267-2101.

TT:JJ:JS

c: Chief Executive Officer  
Executive Officer, Board of Supervisors  
Director of Health Services